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JEFFREY P. BATES

May 29, 1991

**1-154A146**

Sidney Strickland, Secretary  
INTERSTATE COMMERCE COMMISSION  
Washington, DC 20423

**17364**

**JUN 3 1991 - 3 20 PM**

INTERSTATE COMMERCE COMMISSION

Re: Reconsideration of Documents

Dear Secretary Strickland:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Purchase/Rebuilding Agreement (security agreement), a primary document, dated October 18, 1990.

The names and addresses of the parties to the document are as follows:

**Secured Party:** Farmrail Corporation  
136 East Frisco  
Clinton, OK 73601

**Debtor:** Wilson Railway Corp.  
901 Thomas Beck Road  
P.O. Box 697  
Des Moines, IA 50303-0697

A description of the equipment covered by the document follows:

<u>Road Unit No.</u>	<u>Description</u>	<u>Builder's Serial No.</u>
6508	EMD GP40 3000 HP Locomotive	7943-9
6599	EMD GP40 3000 HP Locomotive	7340-50
WS-550	EMD Caterpillar Repowered 550 HP Locomotive	37
109	General Electric 600 HP Locomotive	30180

A fee of \$15.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the document to appear in the index follows:

Purchase/Rebuilding Agreement (security agreement) between Wilson Railway Corp., debtor and Farmrail Corporation, secured party dated October 18, 1990, and covering the following equipment:

<u>Road Unit No.</u>	<u>Description</u>	<u>Builder's Serial No.</u>
6508	EMD GP40 3000 HP Locomotive	7943-9
6599	EMD GP40 3000 HP Locomotive	7340-50
WS-550	EMD Caterpillar Repowered 550 HP Locomotive	37
109	General Electric 600 HP Locomotive	30180

Very truly yours,



ERIC M. HOCKY  
Attorney for Farmrail Corporation

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/5/91

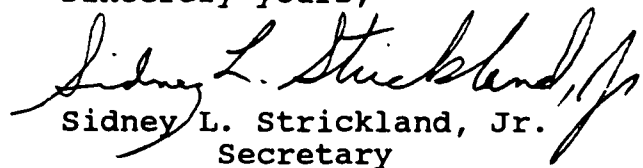
OFFICE OF THE SECRETARY

Eric M. Hocky  
Rubin, Quirm, Moss, Heaney, & Patterson  
1800 Penn Mutual Tower  
510 Walnut Street  
Philadelphia, PA. 19106

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/3/91 at 3:20pm, and assigned recordation number(s). 17364

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

JUN 3 1991 -3 20 PM

## PURCHASE/REBUILDING AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT AND EXHIBITS ATTACHED HERETO ("Agreement") dated as of October 18, 1990 by and between Wilson Railway Corp. ("Wilson"), an Iowa corporation with its offices at 901 Thomas Beck Road (Post Office Box 697), Des Moines, Iowa 50303-0697, Farmrail Corporation ("Farmrail"), a Delaware corporation with its offices at 136 East Frisco, Clinton, Oklahoma 73601, and Wilson and Farmrail collectively ("Parties").

## WITNESSETH:

WHEREAS, Wilson is negotiating to acquire for rebuilding and resale certain used GP-35 locomotives from Consolidated Rail Corporation and has offered to Farmrail the right to purchase such rebuilt units in the event of Wilson's acquisition and upon Wilson's rebuilding of same; and

WHEREAS, Farmrail desires to purchase from Wilson three (3) of such locomotives, as defined in Exhibit A ("Equipment"), to be rebuilt by Wilson in accordance with Exhibit B ("Specifications") attached hereto, with such rebuilding to be completed on the Equipment no later than July 1, 1991; and

WHEREAS, Farmrail has upon entry into this Agreement made payment to Wilson of one hundred thirty thousand dollars (\$130,000) to confirm this Agreement and will make payment of an additional one hundred thousand dollars (\$100,000) upon receipt of a verified ICC title and lien search as to the collateral; and

WHEREAS, additional progress payments ("Progress Payments") in amounts that are mutually satisfactory to the Parties, and the timing of transfer of certain locomotives described on the attached Exhibit C ("Trade-Ins") to Wilson on dates in 1990 and 1991, are each to be negotiated between the Parties no later than seven (7) days after Wilson succeeds in acquiring the Equipment and delivers it to Wilson's Des Moines, Iowa Shop, and thereafter, these additional terms are to be made a part of this Agreement in addendum form to be known as "Payment Terms Addendum"; and

WHEREAS, all such Progress Payments and Trade-In Values are to be applied against the Gross Price of the Equipment; and

WHEREAS, Farmrail represents and warrants to Wilson that (i) it is the sole and absolute owner and holds good and marketable title to all the Trade-Ins, (ii) that all the Trade-Ins are free and clear of all liens, claims, security interest, or encumbrances of any kind whatsoever, and agrees to indemnify and defend Wilson and/or Wilson successors or

assigns, from and against any claims of others with respect to the Trade-Ins or otherwise arising from Farmrail's breach of its warranty of title; and

WHEREAS, Wilson acknowledges receipt of Farmrail's payment on the Equipment, and desires to sell the Equipment to Farmrail and deliver to Farmrail a Bill of Sale for the Equipment as herein provided and to rebuild such Equipment for Farmrail in accordance with Exhibit B attached hereto; and

WHEREAS, Farmrail recognizes that Wilson's performance under this Agreement is contingent upon successful completion of negotiations to acquire the Equipment and therefore desires security for the return of its payments hereunder in the event Wilson is unsuccessful and Wilson is willing to provide security to Farmrail by granting a security interest in certain locomotives described on Exhibit D ("Collateral"); and

WHEREAS, Wilson represents and warrants to Farmrail that (i) it is the sole and absolute owner and holds good and marketable title to all the Collateral, (ii) that all the Collateral is free and clear of all liens, claims, security interest, or encumbrances of any kind whatsoever; and (iii) that upon Wilson's successful acquisition of the Equipment it shall hold and rebuild said Equipment for Farmrail under this Agreement, (iv) that it will keep said Equipment free and clear of all liens, other than its own mechanic's or artisan's liens against said units for any unpaid labor and/or components, and agrees to indemnify and defend Farmrail and/or Farmrail successors or assigns, from and against any claims of others with respect to the Equipment or otherwise arising from Wilson's breach of its warranty of title (v) that Wilson can and will complete the rebuilding work on the Equipment in accordance with this Agreement provided that Farmrail acknowledges that Wilson shall be entitled to withhold delivery and retain possession, of any units upon which Farmrail has not paid for any labor and/or components in accordance with the Payment Terms Addendum.

NOW, THEREFORE, Wilson and Farmrail agree as follows:

1. **Gross Purchase/Rebuilding Price**

Except as provided in Section 6 herein, Farmrail will pay a gross Purchase/Rebuilding Price of two hundred thirty-six thousand one hundred seven dollars (\$236,107) per unit of Equipment for a total of seven hundred eight thousand three hundred twenty-one dollars (\$708,321) ("Gross Price") to Wilson for the Equipment listed in Exhibit A, FOB Des Moines, Iowa, including the rebuilding of such Equipment as defined in Exhibit B attached hereto.

2. **Payment/Delivery Reimbursement**

The Gross Price shall be paid in cash and Trade-Ins to Wilson at its office in Des Moines, Iowa, pursuant to the Payment Terms Addendum and shall be paid or transferred promptly according to the terms

contained therein. Such payment will be subject to inspection and satisfaction of the work by Farmrail's and/or Farmrail's Lender's inspector ("Inspection"). Inspection shall be made in Des Moines, Iowa. Farmrail's and/or Lender's inspector shall execute and return Wilson's Locomotive In-Service Inspection form, upon conclusion of the inspection. Final payment to Wilson as to each unit of Equipment shall be made in the form of release of a Trade-In unit to Wilson. Wilson shall be responsible for the arrangement and cost of delivery of the Equipment from the Wilson Shop in Des Moines, Iowa to Kansas City, Missouri.

3. **Insurance/Risk of Loss**

Until final inspection has been completed on the Equipment and the Locomotive In-Service Inspection has been executed, Wilson shall bear the responsibility for all risks of physical damage to or loss or destruction of the Equipment, howsoever caused. Wilson shall, at its expense, carry the Equipment on an all-risks and public liability insurance policy which provides for risk coverage for each unit of Equipment in an amount not less than the hulk value plus all labor and component prices accrued on a per unit basis at the time of loss, but not to exceed the Gross Price defined for each unit of Equipment listed in Exhibit A attached hereto, and which provides for public liability insurance in an amount which is reasonably acceptable to Farmrail.

4. **Bill of Sale**

Wilson shall, as units are acquired by Wilson and paid for by Farmrail, deliver to Farmrail a Bill of Sale for the respective units of Equipment properly completed, executed in the form attached hereto as Exhibit E, together with all documents and instruments as shall be necessary to transfer good and marketable title to the Equipment to Farmrail free and clear of all liens, claims, and encumbrances of any kind whatsoever. Wilson shall have the title specified in such Bill of Sale and shall, in such Bill of Sale, (a) warrant to Farmrail that Wilson is the sole and absolute owner of the Equipment and all interests therein, free and clear of all liens, security interests, leases or rental contracts, and encumbrances of any nature other than its own liens for any unpaid labor and/or components; and (b) agree to indemnify and defend Farmrail, its successor in title and assigns, from and against any claims of others with respect to the Equipment or otherwise arising from Wilson's breach of its warranty of title.

5. **Equipment Rebuilding**

The Equipment shall be rebuilt by Wilson at its shop in Des Moines, Iowa prior to delivery to Farmrail in accordance with this Section 5 and Exhibit B attached hereto. The cost of rebuilding is covered by and included as part of the Gross Price defined in Section 1 herein. Any deficiencies in such rebuilding work noted at the time of the Inspection shall be corrected by Wilson as soon as possible at its sole expense, but in no case any later than the fifteen (15)

day period following immediately thereafter; provided further that until such time as all deficiencies are corrected to the satisfaction of Farmrail, final payments due Wilson relating to a locomotive with deficiencies shall be subject to withholding by Farmrail for the deficient unit only.

6. **Frustration of Contract**

Should Wilson be unable to successfully negotiate acquisition of the Equipment for delivery to Wilson's Des Moines Shop by December 1, 1990, either of the Parties shall have the option to cancel this Agreement by written notice to the other. In such event, this Agreement shall be null and void, except that Wilson shall pay to Farmrail the sum of two hundred fifty thousand dollars (\$250,000) on or before December 30, 1990. However, if neither Party cancels this Agreement, the Wilson Delivery Deadline shall automatically be extended a maximum of four (4) additional times, under the following conditions:

<u>Delivery Deadline</u>	<u>Wilson Payment to Farmrail Upon Cancellation of Agreement by Either Party</u>
January 1, 1991	\$260,000 by January 31, 1991
February 1, 1991	\$270,000 by February 28, 1991
March 1, 1991	\$280,000 by March 31, 1991
April 1, 1991	\$290,000 by April 30, 1991

Failure of Wilson to deliver the Equipment to Wilson's Des Moines Shop by April 1, 1991 will constitute an automatic and final cancellation of this Agreement, and Wilson shall be obligated to pay to Farmrail the amount of two hundred ninety thousand dollars (\$290,000) accordingly.

Upon Farmrail's receipt of any applicable said sum, it shall immediately release its security interest in the Collateral. Once Farmrail has received any such applicable sum and Wilson has received confirmation of the release of the security interest in the Collateral, each of the Parties shall be fully and completely released of further obligation or liability to the other under this Agreement.

In the event that the December 1, 1990 Delivery Deadline is not met, but a Delivery Deadline is subsequently satisfied by Wilson within one of the extension periods, Farmrail shall be entitled to an automatic five-thousand-dollar reduction (\$5,000 reduction) in the per-unit gross Purchase/Rebuilding Price defined in Section 1 previously herein for each such Delivery Deadline that Wilson failed to meet.

7. **Release of Collateral**

Upon Wilson's successful acquisition of the Equipment and presentation to Farmrail of Bills of Sale and verified of ICC title and lien search to document ownership thereof, Farmrail shall immediately release its security interest in the Collateral.

8. **Repurchase Supplement**

The terms and conditions of the repurchase supplement attached hereto as Exhibit G are incorporated herein as fully as though set forth in their entirety and shall constitute a part of this Agreement.

9. **Limited Warranty and Disclaimer**

Wilson hereby represents and warrants to Farmrail that each unit of Equipment will be covered by a one year (365 day) parts Certificate of Limited Warranty as in the form as attached hereto as Exhibit F. Farmrail acknowledges that this warranty is the sole warranty given and is in lieu of any other expressed or implied warranties and contains disclaimers.

10. **Default/Remedies**

In case of occurrence of an Event of Default (as defined below) which shall have occurred and be continuing, the nondefaulting party may, at its option (except to the extent otherwise required by law) and upon seven (7) days' written notice to the party in default, terminate this Agreement, and (i) proceed by appropriate court action or actions to enforce performance by the other of the applicable covenants and terms of the Agreement, or recover damages for the breach thereof, or recover any payments made to Wilson or property delivered to Farmrail under this Agreement; or (ii) avail itself of any other remedy or remedies provided for by any statute or otherwise available at law, in equity, bankruptcy or insolvency proceedings. Any legal costs associated with any action by the nondefaulting party that is required as a result of an Event of Default by the other in regard to this Agreement shall be borne by that party in default.

An "Event of Default" shall mean the occurrence and continuation of: (i) a default in the performance of Wilson's obligations to complete work on the Equipment under the terms of this Agreement remaining uncured for thirty (30) days after written notice as herein provided; ii) a default in the observance or performance of any other of the covenants, conditions and agreements contained herein or in the Exhibits; (iii) failure to make any payment required of Farmrail in timely fashion as specified in this Agreement; (iv) any representation or warranty made by the other party in connection with this Agreement which is untrue in any material respect, or any statement, report, schedule, notice or other writing furnished by other party in connection herewith which is untrue in any material respect on the date as of which the facts are set forth or certified; (v) insolvency by the other party or

admission in writing of its inability to pay its debts as they mature, or applies for or acquiesces in the appointment of a trustee or a receiver; or any bankruptcy, insolvency, dissolution or liquidation proceeding that is not vacated within thirty (30) days (unless otherwise acknowledged and waived by that party).

11. **Compliance**

Failure or delay of either party to require full compliance with any one or more of the terms of this Agreement shall not be interpreted as a waiver of those terms or of its rights subsequently to insist on full compliance therewith or to take such action as might be lawfully authorized hereunder, either at law or in equity.

12. **Authority**

Farmrail and Wilson have full power, authority and legal right to execute, deliver and perform under the terms and conditions of this Agreement. This Agreement has been duly authorized, executed and delivered by Farmrail and Wilson and constitutes a legal, valid and binding obligation of Farmrail and Wilson enforceable against either in accordance with its terms.

13. **Jurisdiction**

This Agreement is to be performed in major part in Iowa but is to be interpreted in accordance with the laws of the State of Delaware as an agreement under seal.

14. **Miscellaneous**

This Agreement between Farmrail and Wilson shall be binding upon and inure to the benefit of their respective successors, assigns and personal representatives. Any provision hereof prohibited by rule or law shall be held to be of no effect, to the extent of that prohibition, and the remaining provisions hereof enforced in accordance with their respective terms. Notices hereunder may be delivered by hand or by telex or telegram and shall be deemed to have been delivered five (5) days after mailed in the continental United States by registered mail, postage prepaid, to the respective addresses shown on the first page of this Agreement.

IN WITNESS WHEREOF, Farmrail and Wilson have caused this Agreement to be executed in duplicate as of the date hereof.

Attest:

James R. Buckett

Attest:

Dolly Linebach

**FARMRAIL CORPORATION**

By:

Richard A. Peters, President

**WILSON RAILWAY CORP.**

By:

Douglas A. Wilson, President

EXHIBIT A

EQUIPMENT

<u>Road Unit No.</u>	<u>Description</u>	<u>Builder's Serial No.</u>
2257	EMD GP35 2500 HP Locomotive	7713-6
2267	EMD GP35 2500 HP Locomotive	7713-16
2350	EMD GP35 2500 HP Locomotive	7793-40

## EXHIBIT B-1

(File Photo)  
**GP-35M, 2000 HP, 130 TON, EMD LOCOMOTIVE**

<b>Engine:</b>	16-567-D3A
<b>Main Generator:</b>	Rebuilt D-32-B
<b>Gear Ratio:</b>	62-15
<b>Brake Schedule:</b>	Rebuilt 26L Air Schedule
<b>Air Compressor:</b>	Rebuilt WBO
<b>Auxiliary Generator:</b>	Rebuilt 10KW
<b>Wheel Report:</b>	2" or Better
<b>Batteries:</b>	New

### Major Modifications

1. Rebuilt 645E power assemblies
2. Rebuilt blowers
3. Rebuilt governor
4. New main bearings
5. New connecting rod bearings
6. Complete electrical control cabinet rewire including new low and A/C voltage rewiring
7. Rebuilt blower gears
8. Rebuilt traction motors
9. Rebuilt trucks
10. Cut levers have been modified to FRA standards
11. Equipped with engine protector device
12. Equipped with spin on fuel filters
13. Equipped with dynamic brakes
14. Equipped with electric switch gear
15. Equipped with pin type slack adjusters.
16. Equipped with low nose

## EXHIBIT B-2

### SPECIFICATIONS FOR REBUILDING TO GP-38 CONVERSION

#### CARBODY AND FRAME

1. Carbody is sandblasted and inspected. Cracks, damaged and rusted areas are properly repaired as required; any cracks and exterior damage or rust in excess of 1/8" deep shall not be filled with plastic filler, but cut out and replaced.
2. Existing handrails are restored to like new condition.
3. Battery boxes receive new blocking and are repaired and painted.
4. Side bearing wear plates are applied to obtain proper clearances.
5. Couplers are installed in like new condition.
6. Uncoupling levers are current to FRA configuration.
7. Pilot plates are installed in compliance with current FRA regulations.
8. All sand, air, water and oil lines are renewed as required.
9. One 20 pound fire extinguisher is mounted inside the carbody.

#### CAB

1. The cab is repaired and primer painted.
2. The ceiling and upper portion of cab walls are repaired as necessary.
3. Current FRA glazing is installed.
4. Flooring will be repaired to like new condition and coated with an anti-skid surface.
5. Two rebuilt cab seats are installed.
6. One 20 pound fire extinguisher is mounted in the cab.

#### TRUCKS

1. The truck assemblies are cleaned and sandblasted. The trucks are inspected for cracks and proper repairs are made.
2. All pins and bushings are replaced.

3. Traction motor nose suspension assemblies are rebuilt.
4. Qualified axles and wheels 1-1/2" or better rim thickness are supplied.
5. All new traction motor support bearing wicks with metal bases will be applied.
6. Rebuilt D-77 traction motors are installed.
7. Springs are replaced as per FRA requirements.
8. Pin type slack adjusters are applied.
9. All journal bearings are to be rebuilt.

#### ENGINE

1. A 16-567D3A engine is supplied.
2. The crankcase is inspected for cracks and worn areas.
3. The following components are rebuilt:
  - A. Blowers
  - B. Governor
  - C. Fuel Injectors
  - D. Valve Bridges
  - E. Blower Gears
4. The power assemblies to be installed in each unit will be rebuilt 645E components consisting of the following:
  - A. Cylinder Heads (circle 4 or better)
  - B. Pistons with Cast Iron Rings (standard only)
  - C. Chrome Plated Liners (standard only)
  - D. Connecting Rod, Carrier, and Wrist Pin (silver bearings only)
  - E. Viatron fire rings
  - F. New liner inserts
5. Engine mounted fuel filters are converted to spin-on type.
6. New top deck cover seals and latches are installed as necessary.
7. All new gaskets are used.
8. New EMD or Clevite bearings will be used for the following components:
  - A. Crankshaft
  - B. Connecting Rod

9. Cylinder lead wire readings, and top ring groove clearances are supplied.
10. No diesel engine will have a gear train lower idler clearance in excess of .010".

#### **ELECTRICAL ROTATING**

1. D32-B main generator is rebuilt.
2. Traction motors are rebuilt.
3. The auxiliary generator is rebuilt.

#### **ELECTRICAL CONTROL**

1. All low voltage is rewired using Exane wire.
2. All AC voltage is rewired using Exane wire.
3. Electrical emergency fuel cut-off push buttons are located near the fuel fill locations.
4. New 420 A-H batteries are installed.
5. The engine start switch is installed in the vicinity of the governor layshaft.
6. A complete electrical software package is supplied, including a wiring diagram.
7. All high voltage cabling will be free of defects and splicing.
8. All control components will be inspected and repaired or replaced if defective.

#### **ACCESSORIES AND ACCESSORY RACK**

1. High based air compressor is rebuilt including - heads, liners pistons and rods. New rings, bearings, gear driven oil pump and disposable element air filtration system is applied.
2. All new fuel, lube oil, and carbody filters are applied.
3. All gauges are qualified including - oil pressure, air pressure and engine coolant temperature.
4. New lubricating oil will be applied.

#### **AIR SYSTEM**

1. The air tanks are drilled using FRA specifications.

2. Sanding is electric solenoid operated.
3. Outboard sanding is supplied.
4. The air horn and bell are rebuilt.
5. All air valves are rebuilt.
6. Air solenoid valves have new low voltage coils.
7. Locomotive is supplied with automatic and manual main reservoir blow down.

#### **PAINT**

1. The unit is primed and painted on the exterior, using customer specified color scheme.
2. The engine room will be painted gray.
3. The cab interior is painted to customer's color preference.
4. Trucks are painted to customer's color preference.

#### **MISCELLANEOUS**

1. All work shall be completed in a workmanshiplike manner.
2. All completed Equipment will be free of any FRA defects and free of all leaks of any nature whatsoever.
3. All Equipment will be load-boxed in accordance with procedures to be approved and/or provided by Farmrail.

EXHIBIT C

TRADE-INS

<u>Road Unit No.</u>	<u>Description</u>	<u>Engine Serial No.</u>	<u>Value</u>
316	EMD GP9 1750 HP Locomotive	54-E-125	\$111,000
280	EMD GP9 1750 HP Locomotive	S-9581	111,000
	EMD GP9 1750 HP Locomotive		111,000

EXHIBIT D  
COLLATERAL

<u>Road Unit No.</u>	<u>Description</u>	<u>Builder's Serial No.</u>
6508	EMD GP40 3000 HP Locomotive	7943-9
6599	EMD GP40 3000 HP Locomotive	7340-50
WS-550	EMD Caterpillar Repowered 550 HP Locomotive	37
109	General Electric 600 HP Locomotive	30180

EXHIBIT E

BILL OF SALE

This Bill of Sale dated this \_\_\_\_\_ day of \_\_\_\_\_, 1990 from WILSON RAILWAY CORP., an Iowa corporation with its principal place of business at 901 Thomas Beck Road, Des Moines, Iowa 50315 ("Seller") to Farmrail Corporation ("Buyer").

Seller, in consideration of the payment to Seller by Buyer of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, assign, transfer and convey to Buyer and its successors and assigns, all right, title and interest in and to the property described (the "Property") as follows:

(Description of Equipment)

Seller represents and warrants that it is the owner of all right, title and interest in and to the Property and has the right, power and authority to sell, assign, transfer and convey all right, title and interest in and to the Property; that the Property is free and clear of all security interests, liens and encumbrances; and that it will warrant and defend the right, title and interest to the Property against the lawful claims of all persons whomsoever.

THE PROPERTY IS SOLD, ASSIGNED, TRANSFERRED AND CONVEYED TO BUYER IN "AS IS, WHERE IS" CONDITION AND SELLER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, OPERABILITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER ASPECT OF THE PROPERTY, EXCEPT WITH RESPECT TO TITLE TO THE PROPERTY AS PROVIDED ABOVE, AND SELLER HEREBY DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND NO SUCH REPRESENTATION OR WARRANTY HAS BEEN OR WILL BECOME A BASIS OF THE BARGAIN BETWEEN THE PARTIES, NOR HAS BEEN OR WILL BE RELIED UPON BY BUYER.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the day and year first above written.

WILSON RAILWAY CORP.

By \_\_\_\_\_  
Douglas A. Wilson, President

EXHIBIT F

CERTIFICATE OF LIMITED WARRANTY

WILSON RAILWAY CORP. hereby grants to the original purchaser the following limited parts warranty as to one (1) \_\_\_\_\_, \_\_\_\_\_ HP, \_\_\_\_\_ Ton, EMD Locomotive bearing identification number Unit # \_\_\_\_\_ (formerly Unit # \_\_\_\_\_):

1. WILSON RAILWAY CORP. will warrant parts for the engine, main generator, air compressor, auxiliary generator, trucks, and traction motors for a period of 365 days subsequent to the first day the described locomotive is placed in service at your facility. This warranty is limited to replacement parts only and WILSON RAILWAY CORP. retains the option of purchasing unit exchange, rebuilt, or serviceable used parts rather than new parts in accordance with standard industry practice.
2. WILSON RAILWAY CORP. shall, upon written notification thereof and substantiation that the parts have been maintained and operated in accordance with WILSON RAILWAY CORP. recommendations and standard industry practice, correct such defects by suitable repair or replacement of said parts, exclusive of labor.
3. WILSON RAILWAY CORP.'s sole and only obligation direct, indirect, or otherwise by virtue of this warranty is expressly limited to the delivery of replacement or repair parts. WILSON RAILWAY CORP. retains the option to either repair or replace said parts. It is further understood that all work possible will be completed on site at your facility.
4. WILSON RAILWAY CORP. shall in no event or circumstance be obligated to any person or entity for the expense of any labor or material expended or damages occasioned, by the purchaser or any other person or entity repairing or altering any part without previous written permission of the WILSON RAILWAY CORP.

**THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO WARRANTY OF MERCHANTABILITY, FITNESS FOR PURPOSE OR OTHER WARRANTY OF QUALITY, EXCEPT OF TITLE AND AGAINST PATENT INFRINGEMENT.**

WILSON RAILWAY CORP. shall not be liable for special, or consequential damages, such as, but not limited to, damage or loss of other property or equipment, loss of profits or revenue, loss of use of power system, cost of capital, cost of revenue, cost of purchased or replacement power. Remedies of purchaser set forth herein are exclusive, and the liability of WILSON RAILWAY CORP. with respect to any contract, or anything done in connection therewith such as their performance or breach thereof, or from the manufacture, sale, delivery, resale, installation, or technical direction of installation, repair or use of any equipment covered by or furnished under this contract, whether in contract or tort, under any warranty or otherwise, shall not exceed the price of the part on which such liability is based.

This warranty is given solely to Farmrail Corporation for their sole and exclusive use only and shall not be extended expressly, or implied or otherwise.

WILSON RAILWAY CORP.

By: \_\_\_\_\_, 1990  
Douglas A. Wilson, President

## EXHIBIT G

### REPURCHASE SUPPLEMENT

WHEREAS, Wilson and Farmrail have entered into an Agreement dated October 18, 1990 ("Agreement") concerning certain locomotives ("Equipment"); and

WHEREAS, Farmrail has offered to purchase the Equipment according to the terms of the parties Agreement which incorporates this Supplement; and

WHEREAS, Wilson and MLB Consulting Corp ("MLB") agree that, at Farmrail's option, exercised prior to expiration or termination of this Supplement, Wilson and/or MLB ("Buyer") shall repurchase up to two (2) completed units of said Equipment from Farmrail, all as herein provided:

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and undertakings of the parties expressed in the Agreement and in further consideration of the mutual covenants and undertakings of the parties contained within this Supplement, the parties agree as follows:

1. REPURCHASE. That Buyer shall, at Farmrail's option, exercised as herein provided, prior to expiration or termination of this Supplement, repurchase up to two (2) completed units of Equipment ("Repurchase Equipment") from Farmrail for the sum of \$275,000 each. Farmrail shall immediately upon receipt of Buyers' payment-in-full issue to Buyer its Bill of Sale in form substantially similar to that attached to the Agreement as Exhibit "E" (assuming Farmrail then holds title). That should Farmrail provide Buyer the requisite notice to repurchase but be unable to reasonably assure Buyer of its ability to deliver unencumbered title thereto, Buyer shall be relieved from the obligation to repurchase imposed hereby.

2. EXERCISE. That should Farmrail desire Buyer to purchase the Repurchase Equipment, it shall notify Buyer in writing no later than sixty (60) days after the Delivery Deadline has been satisfied by Wilson. Upon receipt of notification from Farmrail, Buyer shall pay to Farmrail the repurchase sum herein specified within ninety (90) days of completion of the rebuilding of the Repurchase Equipment called for by the Agreement.

3. EXPIRATION. That if Buyer has not been notified by Farmrail to repurchase said Repurchase Equipment on or before that date set forth in the preceding paragraph, Buyer shall have no further obligation to repurchase from Farmrail.

4. TERMINATION. That this Supplement shall be terminated and all obligation of Buyer hereunder discharged, should Farmrail, its successors or assigns take possession of the Repurchase Equipment, encumber title thereto or allow the Repurchase Equipment to be subjected to lien or levy.

5. RISK OF LOSS. That upon receipt of the Bill of Sale therefore, Farmrail shall immediately insure the Repurchase Equipment against loss and be solely responsible for all risk of loss, holding Buyer harmless therefrom and indemnifying it against same.

6. NOTICE. That any notice required or permitted to be given to the parties shall be given in writing as follows:

To Wilson at: 901 Thomas Beck Road  
P.O. Box 697  
Des Moines, IA 50303-0697

To MLB at: 99 Cambridge Street  
Burlington, MA 01803

To Farmrail at: 136 East Frisco  
Clinton, OK 73601

DATED:

10/18/90

WILSON RAILWAY CORP.

By:

Douglas A. Wilson, President

MLB CONSULTING CORP.

DATED:

10/18/90

By:

Richard A. Peters, President

FARMRAIL CORPORATION

DATED:

10/18/90

By:

Richard A. Peters, President